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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
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MORE THAN EIGHT MILLION DOLLARS TO PRODUCERS

Members of the Maryland State Dairymen's Association, Inc., Baltimore, on August 25, 1928, celebrated the completion of ten years of activity. The reports for the tenth year, ending July 31, showed that 26,020,908 gallons (222,738,972 pounds) of milk had been delivered during the preceding 12 months and that the producers had received \$8,161,257. This was an equivalent of a weighted average price of 31.36 cents a gallon, or about \$3.66 per 100 pounds. Of the total quantity of milk delivered, 71.64 per cent was marketed as fluid milk and for this the producers received an average price of 33 cents a gallon for milk with 4 per cent butterfat, f.o.b. Baltimore. The remainder of the milk, 28.36 per cent, was marketed as surplus, and for this the producers received a weighted average price of 27.23 cents.

As the association is a bargaining organization, it did not itself handle any of the milk except samples for making tests. The producers delivered the milk to the city distributors who paid them the price agreed upon in conference by the association and the dealers. Furthermore, the dealers paid to the association a brokerage fee, which is the association's chief source of income. This brokerage for the 1927-28 year amounted to \$202,750. Receipts from miscellaneous sources, chiefly interest, brought the total income up to \$234,243. Expenditures for the business year were \$79,867, including a contribution to the Baltimore Dairy Council of \$15,000. The excess of income over expenses, amounting to \$154,376, was transferred to reserve, which on July 31 amounted to \$751,671. Among the assets of the association was an item of \$270,606 representing cash in bank. Another item among resources was a by-products plant valued at about \$60,000. Debts amounted to only \$1,027.

During the past year the producers received a refund from the reserve of about \$35,000. This amount represents credits to the reserve made from February 1, 1921, to July 31, 1921. The coming year there will be a patronage refund of about \$92,000 representing credits to the reserve from August 1, 1921, to July 31, 1922.

Since October 1, 1927, the association has been directly interested in the Annapolis market, all milk marketed in that city being handled under the Baltimore plan.

MILLION DOLLAR BUSINESS BY LOCAL CREAMERY

The Jesup Creamery Company, Jesup, Iowa, is a farmer-owned and -operated creamery doing a business of more than a million dollars a year. Its total income for 1927 amounted to \$1,060,164, of which 94 per cent was returned to the milk producers for cream delivered. The quantity of butter made totaled 2,334,538 pounds. Patrons received an average price of 52.83 cents a pound for butterfat.

At the close of the year the company had a net worth of \$60,436, of which \$5,574 represented share capital, the remainder being surplus and undistributed balance. This association began operating February 11, 1890. At the beginning of the present calendar year it reported 178 members. It is one of six cooperative creameries in the same county.

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ADVERTISING PROGRAM OF OHIO DAIRYMEN

Early in August the Ohio Farmers' Cooperative Milk Association, Cleveland, launched an advertising campaign which is to be continued for three years and will probably cost \$360,000. The aims of the campaign, as stated by the president, are as follows: "(1) to increase the consumption of milk; (2) to make Cleveland's milk supply of the highest quality; (3) to create a consumer demand for a guaranteed high quality; (4) to prevent ruinous competition; (5) to secure an adequate price for a quality product; (6) to make it easier for reliable dealers to get more business; (7) to strengthen the business of farmers and of dealers who work with the association."

In order to carry out this program the association will put two grades of milk on the market, with a difference of one cent per quart in prices. The higher grade will be known as "Selected Dairies Milk." It will be required to pass a bacteria test more severe than that required by the city health department, and will be sold only in a special bottle closed with a special cap, both bottle and cap bearing the trade-mark of the association. Only such dealers as have proper equipment will be allowed to bottle and handle the milk.

The association now handles 180,000,000 pounds of milk per year, or about 90,000,000 quarts, 70 per cent of Cleveland's supply. Sales run over \$6,000,000 and more than 100 dealers handle association milk. Customers are grouped in four classes: families, selling stores, restaurants, and hotels.

Cleveland's newspapers will carry the bulk of the advertising, but some will be carried by newspapers of the smaller cities where the milk will be sold. Billboards, car cards and restaurant posters will also be utilized, and a number of speakers will be employed to talk about the value of milk at clubs and schools.

WISCONSIN CHEESE PRODUCERS ADOPT NEW NAME

For the second time within a dozen years the cheese producers of Wisconsin have changed the name of their organization because of its broadening development. It has now become officially the National Cheese Producers' Federation. The first sales organization was called the Sheboygan County Cheese Producers' Federation. It was formed in 1914 with 43 member factories, built a warehouse at Plymouth, and began selling cheese on April 1, 1914. Factories from other counties were soon attracted to the federation and in 1917 the name was changed to Wisconsin Cheese Producers' Federation. Since 1921 the neighboring state of Minnesota has been represented in the Federation and there is a possibility of factories from other states also joining to take advantage of the sales service offered. As both production and distribution have become more than state-wide, the name has now been changed to National Cheese Producers' Federation as more thoroughly indicative of its real character.

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TWIN CITY ASSOCIATION STATISTICS

Receipts of more than a million pounds of milk every day during the first six months of 1928, are reported by the Twin City Milk Producers' Association, St. Paul, Minn. This was 4.4 per cent more than in the first six months of 1927. From a comparison of statistics for the two periods, the following figures have been selected:

	Jan.-June 1927	Jan.-June 1928	Increase or decrease
	(Pounds)	(Pounds)	(Per cent)
Total milk delivered	166,661,127	173,959,202	4.4 increase
Butter made	2,128,731	1,853,329	12.9 decrease
Cheese made	616,232	1,050,578	70.5 increase
Casein made	533,265	284,159	46.7 decrease
Powder made	1,995,590	2,562,064	28.4 increase
Whole condensed made	2,133,904	2,563,439	20.1 increase
Skim condensed made	1,660,739	3,519,289	111.9 increase
Ice cream made (gallons)	24,021	23,483	2.2 decrease
Total sales	\$4,829,442	\$4,970,646	2.9 increase

This year the association is selling more of the cream as sweet cream and making less butter, and as cheese prices are more favorable than butter prices, more cheese is being made. Manufacture of casein has also been reduced and more powder made, as the latter has proved to be more profitable.

WHEAT ASSOCIATION ACQUIRING ELEVATORS

The North Dakota Wheat Growers' Association, Grand Forks, N. D., has recently purchased a modern terminal elevator at Minneapolis, to aid in carrying out its program for orderly marketing. This elevator is equipped for cleaning, conditioning and storing grain, and will allow the association to put the lower grades on the market in the best possible condition and to operate on a more efficient basis. More storage tanks will be added and arrangements are being made to acquire other terminals.

At present there are 155 local elevators under control or contract for handling grain for the association, a line of 17 having been added recently.

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ELEVATOR COMPANY SELLS GRAIN AND BUYS SUPPLIES

Barley was the principal grain handled during the past five years by the Farmers' Elevator Company, Naples, S. D. Oats was the second grain in importance, and wheat was in third place. The quantities of each kind of grain handled during the five years ending June 30, 1928, were as follows:

	<u>Bushels</u>	<u>Per cent of total</u>
Barley.....	324,153	40.1
Oats.....	231,129	28.6
Wheat.....	151,991	18.8
Corn.....	47,906	5.9
Flax.....	47,485	5.9
Rye.....	3,397	.4
Spetz.....	<u>2,657</u>	<u>.3</u>
Total.....	808,718	100.0

The year ending June 30, 1925, was the big year of the five, more than one-third of the total bushels being handled in that year. The number of bushels of grain marketed for each of the years ending on June 30, is as follows: 1924, 146,309 bushels; 1925, 270,471; 1926, 165,898; 1927, 57,331; 1928, 168,709.

In addition to marketing grain the association handles flour, feed, seeds, salt, and coal for its patrons. It has handled an average of 925 sacks of flour annually for the last five years, an average of 671 tons of coal, and nearly 100,000 pounds of feed, seeds and salt.

This association was formed in 1910. At the beginning of 1928 it had 63 shareholders and was serving 90 patrons. The elevator and equipment is valued at \$17,091, and outstanding capital stock amounts to \$13,250. Net earnings for the five years have amounted to \$11,055.

SHAREHOLDERS VOTE PATRONAGE DIVIDEND

Net earnings of \$18,510 are reported by the management of the Hettinger Cooperative Equity Exchange Company, Hettinger, N. D., for the business year ending June 9, 1928. Total sales for the year were \$454,392, gross earnings, \$26,623; and expenses, \$8,113. A patronage dividend was declared at the recent annual meeting. Furthermore, the shareholders voted to permit nonmembers to become shareholders provided they left their patronage dividends with the company until they amounted to the value of two shares of stock.

The present net worth of the company is \$40,974, including capital stock to the amount of \$23,125. The plant and equipment has a depreciated value of \$25,348. A feature of the plant is a large office and a special room for the use of the board of directors.

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NET WORTH OF ELEVATOR ASSOCIATION INCREASING

Total sales for the Clark County Farmers' Elevator Company, Clark, S. Dak., have ranged from \$136,313 to \$321,361 during the seven years ending with June 30, 1928. Average sales for the seven-year period were \$213,842. Approximately 78 per cent of all sales were sales of grain and 16 per cent of the total business represented returns from the sale of coal and coke.

Sales for each of the seven years were as follows:

Year ending June 30	Grain sales	Coal and coke	Flour	Feed	Twine and merchandise	Total sales
1922	\$ 84,736	\$35,488	\$ 7,295	\$ 236	\$8,558	\$136,313
1923	97,576	38,639	6,356	265	1,883	144,719
1924	114,592	28,931	5,444	545	3,146	152,658
1925	275,844	32,539	7,939	482	4,557	321,361
1926	200,414	31,066	8,571	514	5,695	246,260
1927	123,991	31,350	6,146	1,153	3,845	166,485
1928	216,507	29,388	4,922	2,637	6,435	259,889

Net earnings have varied from year to year. They were \$66 for the 1921-22 marketing season, and \$12,074 for the 1924-25 season. For the 1927-28 season the earnings amounted to \$8,362. During the seven years the net worth of the association has increased from \$26,776 to \$49,210.

Outstanding capital stock amounts to \$27,200, which is held by 324 shareholders. Approximately 400 farmers are served by this association.

EUGENE FRUIT ASSOCIATION PUBLISHES HISTORY

An attractive booklet has been issued by the Eugene Fruit Growers' Association, Eugene, Oreg., "to better acquaint the members with the history, growth and purposes of their association." It tells of the first fruit canning factory built in Eugene in 1891, and its successors up to the time the present association was formed in 1908. It also tells of the development through the years from a small beginning to an organization with plants at three points, handling nearly 20,000,000 pounds of fruits and vegetables in 1927, besides 170,000 pounds of filberts and walnuts. In 1908 the association was called the Lane County Fruit and Vegetable Growers' Association; the following year the name was changed to Eugene Fruit Growers' Association as Eugene was more widely known than Lane County. Sales were around \$15,000 the first year, and more than \$1,600,000 in 1927.

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"BIG Y" PURCHASING DEPARTMENT HAS BUSY SEASON

In anticipation of handling 5,500 cars of fruits and vegetables this season the Yakima Fruit Growers' Association, Yakima, Wash., has purchased 625 car loads of supplies valued at more than \$900,000. Boxes, baskets and other containers for shipping fruit, made the largest single item in the list and cost nearly \$600,000. There are 300 cars of shook for apple boxes; the pear crop requires 50 cars of shook; the peach crop, 40 cars; prunes and apricots, 24; cherries, 8 cars; the grape crop will need 9 cars of baskets. Twenty-eight cars of fruit paper were bought, 28 cars of veneer tops, and 3 cars of tin tops.

Additional supplies for shipping included 4 cars of nails, 18 cars of lumber to brace the boxes of fruit in the cars; 8 cars of lath to place between the layers of boxes to tie the load together; 12 cars of salt for use in refrigeration. Three and one-half million labels were purchased, also 50 barrels of dry paste for attaching these labels to packages.

Supplies for use in growing the fruit were also purchased for members to the amount of nearly \$100,000, largely spray material and equipment. One car of about 5,000 orchard heaters was bought to aid in frost prevention, and these called for 20 cars of fuel oil. Picking buckets, picking bags and ladders were also bought.

The tonnage for the year is estimated as follows: peaches, 565 cars; pears, 1,025 cars; prunes, 240 cars; apricots, 90 cars; crabapples, 10 cars; grapes, 80 cars; apples, 3,225 cars; cherries, 190 cars; potatoes, 45 cars; asparagus, 40 cars. During the height of the soft fruit season about 80 cars of fruit will be moved per day.

New members coming into the association during the first half of the present year brought a net gain of 2,500 acres under control of the association. No new members have been signed up since the first of July.

GULF COAST EXCHANGE SERVES MANY MEMBERS

A report from the Gulf Coast Produce Exchange, Mobile, Ala., covering the 14 months ending April 30, 1928, shows sales for growers to the amount of \$159,701, made up of the following items: Satsumas, \$88,425; cabbage, \$55,079; pears, \$7,731; potatoes, \$7,675; nuts and persimmons, \$791. Supplies furnished to growers totaled \$89,257, the largest item being fertilizer, \$56,661. Other commodities included spray materials, containers of various kinds, cabbage plants, seed potatoes, and miscellaneous articles. All these supplies are furnished practically at cost, the Exchange figuring only enough margin to take care of actual expenses.

This Exchange was formed in January, 1915, to market citrus fruits and other produce for a number of local associations, and to purchase their supplies. Business in 1922 amounted to \$347,000; in 1923, to \$636,000. In 1924 the Exchange reported business to the amount of \$560,000, and a membership of 900.

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TEN YEARS OF MARKETING MICHIGAN POTATOES

Ten years ago the potato growers of Michigan organized the Michigan Potato Growers' Exchange, Cadillac, in an effort to remedy unfavorable marketing conditions. Starting in an experimental way with everything about systematic marketing to learn, the organization has reached a point where it is handling a substantial portion of the potatoes shipped to market. The association assures its members of a market at average market prices. Through the educational work of the association and its marketing activities, growers have learned how to produce better stock by the use of high-grade seed; have learned better methods of cultivation and handling; have learned something about grading, storing, market demands, and other factors; have established their own brand "Chief Petosky" for choice sacked potatoes; and have stimulated the demand for this stock.

Because of the drouth during the potato growing season the Michigan crop was only about two-thirds of normal and the Exchange handled only 1,765 cars of potatoes, which is the smallest number during its ten years of operation. Sales for the season amounted to \$1,451,823 and net earnings came to \$4,262.

A number of departments are maintained by the Exchange. The seed department has now operated five years and has been instrumental in promoting the production of certified seed and its sale to growers of Michigan and other states. The purchasing department last year bought supplies to the amount of \$111,075, including potato bags, spray material, paper for lining cars, etc.

OHIO ASSOCIATION REDUCES HANDLING COSTS

Forty-three per cent of the eggs marketed by the Ohio Poultry Producers' Cooperative Association, Wauseon, during the first half of July sold at an average price of 30 cents a dozen; 36 per cent sold for 27 cents; 10 per cent for 34 cents; 7 per cent for 23 cents; and 3 per cent for 22 cents or less. Brown-shelled eggs brought the highest price. During the period a total of 45,975 dozen of eggs were handled.

The association is furnishing trucking service for the collection of eggs for one entire county and part of another county. A new truck route is being planned for a third county.

Handling costs reached their lowest point in the history of the organization in April of this year, when the expense amounted to but 2.3 cents a dozen. This cost included trucking, candling, grading and all overhead expense.

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LARGE GAINS REPORTED BY CALIFORNIA POULTRYMEN

Comparing the first six months of the present year with the corresponding months of 1927, the Poultry Producers of Central California, San Francisco, finds the receipts of eggs last year were 573,705 cases and this year they were 739,397, an increase for the six months of 28.9 per cent. Prices advanced to members averaged 10.3 per cent higher. During the first half of the present year 865 new members came into the association, increasing the number of hens by nearly 800,000. Corresponding figures for last year were 574 new members, owning 473,000 hens. On June 30, 1928, the records showed a total of 4,015,000 hens, a gain of about 25 per cent in the six months.

Early in the present year egg-packing plants were established at Napa and Hayward. The Napa plant also handles feed for members. Additional service is rendered members by stations for receiving eggs and distributing feeds at seven other points.

Sales in the feed department showed an increase of approximately 58 per cent over last year. The quantity sold was 39,763 tons and amount of sales was \$2,037,147. This department is operating two large feed mills, one at Petaluma and one at Stockton. Both have been working from 16 to 24 hours a day. Additional storage space had to be acquired at both mills.

The poultry department was opened in March, 1926, and is operated on a purely voluntary basis, without contracts. During the past six months it handled 1,275,436 pounds of poultry, compared with 795,101 pounds in the first half of 1927, an increase of 60 per cent. The association was able to pay an average price 9.2 per cent higher than for the poultry it marketed last year.

POULTRY ASSOCIATION COMPARES JULY RECORDS

Comparative figures for July, 1927, and July, 1928, issued by the Tulare Cooperative Poultry Association, Tulare, Calif., show total business for the two months of \$15,270 and \$21,670; and expenses of \$1,437 and \$1,322; an increase of \$6,400 in volume of business with a decrease of \$115 in expenses. In July, 1928, the association handled 326 more cases of eggs, and prices averaged about 6 cents a dozen higher than in July of 1927.

During July one member delivered 4,436 dozen eggs; one, 3,399 dozen; three others, more than 1,000 dozen each; and eleven, more than 500 dozen.

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POULTRYMEN OF EASTERN WASHINGTON ARE ORGANIZED

Spokane, Wash., has a five-year old organization which is reported to be doing a thriving business. This is the Spokane Poultry Farmers' Association, organized and incorporated in 1923. From a business of \$20,000 the first year the association has grown to a business of \$301,400 in 1927, of which \$88,073 was for supplies sold to farmers. The egg business has developed rapidly and the association has been a factor in stabilizing the market of the city. During 1927 it handled 23,482 cases, and in the first three months of 1928 receipts were 80 per cent greater than in the corresponding period of 1927. Eggs come from a wide territory reaching into Idaho and Canada.

The association is experimenting on combined shipments with two other cooperatives, the Walla Walla Poultrymen's Association and the Yakima Egg and Poultry Producers. Cars are partly loaded at the two former points then sent to Spokane to be filled and shipped direct to New York. The first shipment of this kind was marketed so successfully that 12 more cars were shipped within three months.

Membership contracts run for three years, with a yearly withdrawal privilege. Eggs are sold in weekly pools, opening on Friday and closing Thursday, and settlement is made the following week. One cent per dozen is withheld to apply on the purchase of stock in the association and two cents for handling charge. The directors are all large shippers. On July 1, 1928, there were nearly 300 members who owned 120,000 hens.

The feed department was opened in January, 1926, and in a few months was selling a car load of feed every week. The following year the association bought a warehouse and erected a modern feed mill to manufacture high grade poultry feeds. At present the feed business averages over three cars a week. This is sold mostly to members.

A branch station for handling both eggs and feed has been established at Coeur d'Alene, Idaho. This station keeps a full line of feeds and ships eggs to Spokane.

Sales for the five years are reported as follows: 1923, \$20,000; 1924, \$65,000; 1925, \$100,000; 1926, \$219,000; 1927, \$301,400; and the first six months of 1928, \$250,000.

ARKANSAS COTTON CONTRACT MODIFIED TO MEET NEEDS

As a large percentage of cotton growers can not wait for delayed payments on their cotton, the Arkansas Cotton Growers' Cooperative Association, Little Rock, has changed its pooling and marketing plan to accommodate such growers as well as others. The seasonal pool will be conducted as usual, with a first advance of 60 per cent of the market value when the cotton is shipped, and final settlement, according to grade, color and staple, when all cotton in the pool is sold. There will also be an optional pool with three plans for selling. These are described as follows:

First Option.--The shipper may sell the day he ships by notifying the association that the cotton is under bill of lading. He may draw 60 per cent immediately and the settlement in full will be sent him as soon as the actual samples are received and classed. The price basis, however, will be upon the day the cotton was ordered sold.

Second Option.--The grower may draw 60 per cent immediately. At a later date, whenever the market price suits him, he may order the association in writing or by telegraph to sell all or any part of his cotton. The price will be set on the day instructed and the member will immediately receive settlement in full for the proceeds, providing the cotton has been classed.

Third Option.--The grower may ship and draw 60 per cent immediately and instruct the association to sell his cotton when the market reaches a particular point. When the market reaches this point the price will be set on his cotton and a check will be sent immediately, provided the cotton has been classed.

The optional pool is also made available to any ginner, merchant, banker, or producer of cotton who wishes to ship his cotton for immediate daily sale, and such persons may draw 100 per cent of the market price, less marketing expense, by giving a bond through a surety company to indemnify the association against loss on the transaction for any reason.

Through these plans of selling the management believes that any grower or other person can sell his cotton through the association and receive his pay as promptly as from any other buyer. In addition he will have the advantage of having his cotton accurately graded and classed and sold according to such classification. With the increased deliveries anticipated under this new plan the association hopes to make a material reduction in its per-bale marketing expenses.

Final settlement has been completed on 1927 deliveries except for 1,500 bales of staple cotton over 1-3/32 inch. This is being held for a more favorable market.

CHARACTER OF COOPERATIVE ASSOCIATIONS

A farmers' cooperative association is a business organization. Its purpose is to engage in activities incident to the marketing of the products of its members or the acquisition of supplies for them. The foundation and framework of a farmers' cooperative association and all of its methods and plans are for the purpose of aiding those producers who have united or who may unite for prosecuting their own business in as economical and profitable a manner as possible. The cooperative plan of marketing returns to the producers the market price for their products, less necessary operating and maintenance expenses and such other deductions as may be authorized for reserves or expansion purposes. That producers have the right to market their own products through their own agencies is obvious. Producers with respect to their cooperative associations may be members, creditors, debtors, or patrons.

Forms of organization vary but there are a few well recognized principles which distinguish the cooperative from the commercial organization. The cooperative character of an association does not depend upon whether it is formed with or without capital stock. Either type of association may be thoroughly cooperative if properly organized and operated to accomplish this purpose.

Substantial equality among the producers interested in a cooperative association with respect to its affairs is fundamental. The one-man, one-vote, principle is quite generally accepted for cooperation but is not indispensable. Sometimes this equality among members in the case of a cooperative association formed with capital stock is furthered through limiting the number of shares which a producer may own, which, of course, is in contrast with the situation in commercial corporations in which, from a legal standpoint, a shareholder may own any number of shares. Generally, even in the case of capital stock cooperatives, the shareholders are restricted to one vote each, regardless of the number of shares of stock owned. In the case of cooperative associations, the dividend rate on the stock or membership capital is restricted to a fair rate of interest. This again is in contrast with the situation in commercial corporations in which the dividend rate is, from a legal standpoint, unlimited.

In the case of a commercial corporation the persons with whom it deals are generally not members, but in the case of a cooperative association, the members are also patrons, that is, they deliver their products to the association for marketing or acquire supplies from or through it. With cooperative associations the advantages which accrue to members, accrue primarily because they are patrons of the association. Patronage of, rather than amount of money invested in, the cooperative determines the distribution of benefits. Obviously, the costs of doing business, the progress that may be made by a cooperative association, and the results that may be achieved by it, are directly and inevitably affected by the extent and the consistency with which the members of an association deal therewith.

A frequent requirement of both stock and nonstock marketing associations is the signing of a contract. But it should not be assumed that the members or stockholders of a cooperative association, except in a technical legal sense, are separate and apart from the association. They are the association, and the directors and officers of the association are simply their agents for the conduct of the joint enterprise. The directors and officers of an association are placed in office and continue there only through the action or acquiescence of the stockholders or members. In other words, the stockholders or members are the principal or the "employer" while the directors and officers are simply their "employees" or agents to direct the business; and agents are subject to the control of their employers.

Sometimes, on receiving the products of a member, advances are made to him. These, of course, are simply "part payments," or, to speak more accurately, partial returns. Pooling is common to cooperative associations. It is an averaging proposition. The expenses incident to the operation of an association are pooled and then divided among the members on an equitable basis. Many of the cooperative marketing associations pool the products received, that is, mingle those of the same grade and character so that the identity of any particular lot is lost. On the sale of all the products in a particular pool the association renders a final account to each member based upon the quantity he contributed. Some associations pool returns without pooling products, that is, the returns from products of the same grade and quality sold during a given period, usually at varying prices, are lumped together and then divided among the members on a per-unit basis.

Some associations, such as cooperative livestock commission associations act simply as agents for their members in the sale of their products, while other associations take title to the products received from their members, but otherwise function and account to members as though acting only as agents.

Nearly all associations enter into contracts with their members for specified periods requiring them to deliver their products to the association for marketing. These contracts are usually comprehensive and state the undertakings of the association and the members regarding the delivery and marketing of the products covered.

All but two of the states have statutes peculiarly adapted to the incorporation of cooperative marketing associations and practically all such associations are incorporated. These corporations in many respects function along lines similar to those followed by commercial corporations, that is, each of them has a board of directors, officers, and employees through whom the affairs of the association are conducted.

L. S. Hulbert.

WITHDRAWAL PROVISIONS USED MANY YEARS AGO

Provisions for withdrawing from farmers' cooperatives are nearly as old as the cooperatives themselves. The by-laws of the Fruit Growers' Union and Cooperative Society of Hammonton, N. J., the first fruit marketing association on the records, contained the following article:

Members may withdraw at any time by giving notice in writing to the secretary, and paying all indebtedness to the society.

A cooperative store society in Michigan, organized in 1875, the Cooperative Association of the Patrons of Husbandry of Allegan County, permitted members to leave the organization. One by-law read:

Any member of the association may withdraw his or her stock therefrom by giving the secretary six months notice of his or her desire to make such withdrawal, provided, however, that such stock shall have been in the association three years.

An Iowa store, the Lyons Cooperative Association, in 1885, provided in its by-laws that:

A member who has paid up all his shares may withdraw from the company by giving notice of his intention in writing to the secretary, and any member may withdraw without paying up all his shares with the consent of the board of directors.

In 1886, the California Fruit Union, Sacramento, inserted this provision in its agreement:

This agreement may be terminated at any time by the party of the first part (the grower) at its option; and by the party of the second part (the California Fruit Union) by giving fifteen days notice of such intention.

A peach growers' organization in Delaware, the Fruit Growers' Bureau of Information and Distribution, formed in 1887, would not permit members to withdraw during the marketing season, but from October to May they could do so by means of a written request to the executive committee.

GREEK GOVERNMENT ENCOURAGING COOPERATIVES

A recent consular report from Saloniki, Greece, states that government authorities, the National Bank of Greece, and other agencies, are constantly at work promoting the cooperative movement, especially in the rural districts. Recent years have seen a rapid increase in the strength of the movement. Greek Macedonia and Thrace, at the end of 1927, had 1,420 cooperative societies, only 126 of which were in urban districts. Of the 1,294 rural cooperatives, 1,262 were credit societies; 6 were for buying supplies; 10, for sales; 7, for production, and 9 were miscellaneous.

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CANADIAN STORES REPORT TO COOPERATIVE CONGRESS

The Congress of the Cooperative Union of Canada was held late in June at Lloydminster, on the boundary line between Saskatchewan and Alberta. A number of guests were present from the United States and Europe, including the secretary of the International Cooperative Alliance.

Reports from the Canadian societies showed that there were 25 affiliated societies, all but one of which had rendered financial reports for 1927. These 24 societies had a combined membership of 8,914; and a combined share capital of \$488,298. Combined sales aggregated \$4,481,575; combined earnings were \$283,777, and the combined purchase rebates came to \$227,734. Two of the associations were located in Nova Scotia, four in British Columbia, and the others in provinces lying between Nova Scotia and British Columbia.

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INDIA TEACHING ITS PEOPLE THROUGH THE EYE

Demonstration trains and traveling motion pictures are two innovations in India by means of which officials of that country hope to spread information to the illiterate millions regarding cooperation and other subjects. It has been found that in this way large areas can be covered and that everywhere large and interested crowds are attracted by the pictures and exhibits.

The first demonstration train was introduced last year. It consisted of seven cars, including one each for agriculture, public health, industries, and cooperation. The agricultural car was an effort to show the producer how the quality and quantity of his output could be improved by scientific methods. It contained samples of cereals and other products, implements, fodder and feeds for cattle, fertilizers, insecticides, etc. The cooperative car contained exhibits designed to show the benefits of cooperative enterprises in Bengal, and officials were present to explain the exhibits and give out information.

SUGGESTED READING FOR COOPERATORS, No. 2

One of the first comprehensive efforts to study the cooperative movement in the United States was made by five graduate students in Johns Hopkins University about 1886. These men divided the country into five sections and each studied the cooperative enterprises of every form in his allotted section. In 1888 the results were assembled and published under the title "History of Cooperation in the United States," Johns Hopkins University Studies in Historical and Political Science, Vol. VI.

Only a limited number of the enterprises described were agricultural. There were stores, banks or building associations, cooperative factories, profit-sharing factories, etc. However, all were efforts to work together to improve economic conditions and their stories form excellent "background reading" for cooperators of the present day. Many bits of sage philosophy are hidden in the pages.

Edward W. Demis, now an economist and consulting engineer on public utilities, studied the enterprises of New England and the Middle States, beginning with the Brook Farm Community of 1842-47. In New Jersey he found the Fruit Growers' Union and Cooperative Society, formed at Hammonton in 1867, and so far as known the first cooperative association formed in this country to market fruit. In New England he found many industrial cooperatives and a number of creameries, but apparently overlooked the 489 cheese and butter factories in New York in 1886.

"Cooperation in the Northwest," which in the eighties apparently meant Minnesota, Wisconsin and Iowa, was assigned to Albert Shaw, now well known as the founder and editor of the American Review of Reviews.

The writer gives a valuable description and appraisal of the "Granger Movement." He also describes the "cooperative land associations" developed by Iowa settlers in the thirties, and mentions 81 farmers' mutual insurance companies in Iowa, the first dating back to 1866.

Amos G. Warner was a professor at Leland Stanford University until his death in 1900. His part of the volume is entitled "Three Phases of Cooperation in the West," the "West" meaning Ohio, Indiana, Illinois, Michigan, Missouri, Kansas, Nebraska, Colorado, Utah, and Wyoming. In the first phase of his study, "Cooperation among farmers," he describes the business agency of the Ohio State Grange and several stores of that state as typical of the agencies and stores of other states in the group, then gives an interesting account of the cooperative creameries of Ohio, which he considers "the most unostentatious and the most successful part of the movement for rural cooperation in that state."

The section on "Cooperation on the Pacific Coast" has little to say on the agricultural cooperative movement.

Daniel G. Randall, who later became a lawyer, wrote about "Cooperation in Maryland and the South." Practically the only agricultural enterprises he found were those started by the Grange, the most notable being the Texas Cooperative Association with its 155 stores.

"HIGHLIGHTS OF COOPERATIVE MARKETING"

"Highlights of Cooperative Marketing," a mimeographed bulletin, issued by the State Department of Vocational Training, Phoenix, Ariz., gives an outline of the material presented by Robin Hood at a recent series of adult schools of cooperative marketing in Arizona. About 500 persons took advantage of the opportunity to attend these schools, and this summary of the courses was prepared in response to a demand.

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NOTES FROM THE INSTITUTE OF COOPERATION

Notes taken at the American Institute of Cooperation by the general manager of the Agricultural Marketing Department of the Portland Chamber of Commerce, Portland, Oreg., have been assembled and issued in a mimeographed circular. Some of the notes were taken on field trips to various cooperative organizations and are largely descriptive and statistical. Other notes were taken during addresses and discussions.

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NEW BOOK TELLS OF DANISH FOLK SCHOOLS

A recent book by Olive D. Campbell tells of "The Danish Folk School: Its Influence in the Life of Denmark and the North." Seeking for the chief influence which caused the farmers' cooperative movement in Denmark to develop on so high a plane, brought dignity and confidence to the rural inhabitants, and aided in making the land "a little country full of happy people," the writer found the secret in the Danish folk schools, so unlike any schools in any other country. The volume is illustrated and very readable.

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INSTITUTE OF COOPERATION HAD UNUSUAL PROGRAM

Delegates to the fourth session of the American Institute of Cooperation, held recently in California, had unusual opportunities to see associations actually at work. The Institute was opened formally at Los Angeles on July 9, then a week was devoted to field trips to some of the large cooperatives of southern California, with visits to orchards, packing plants and offices. The next two weeks were devoted to general sessions and special conferences at the University of California, followed by an opportunity to visit a number of the large cooperatives of Oregon and Washington. About 600 persons attended the Institute, including representatives of a number of foreign countries.

YEAR BOOK PUBLISHED BY EQUITY UNION CREAMERIES

The Equity Union Creameries, Aberdeen, S. D., has recently issued an attractive Year Book for 1897, as a "medium through which our membership might be fully informed of the progress and development of their organization from year to year." The booklet contains the by-laws of the organization, the report of the fourteenth annual stockholders' meeting, the financial statement for the year, the report of the secretary, a description of each of the three divisions, at Aberdeen, Mitchell and Jamestown, an outline sketch of the National Farmers' Equity Union, with other features, and many illustrations.

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REPORT TELLS OF EARLY FRUIT MARKETING ASSOCIATIONS

A new preliminary report, issued by the Division of Cooperative Marketing, bears the title "Beginnings of Cooperative Fruit and Vegetable Marketing." The paper, prepared by Chastina Gardner, embodies the results of a search for information regarding the earliest associations handling these commodities and shows that a surprisingly large number were formed, beginning at least as early as 1867. This is the second paper of a historical series, the first of which told of "Beginnings of Cooperative Dairy Organizations." Copies of the report are available for distribution by the Division of Cooperative Marketing, U. S. Department of Agriculture, Washington, D. C.

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BULLETIN TELLS OREGONIANS HOW TO ORGANIZE

A bulletin recently issued by the Oregon Agricultural College Extension Service, is entitled "Factors in the Organization of Cooperative Associations." George O. Gatlin, formerly a member of the staff of the Division of Cooperative Marketing, U. S. Department of Agriculture, is the author. He states that his purpose is "to present in a condensed and convenient form for reference the important factors to be considered and the procedure to be followed in the organization of farmers' cooperative enterprises in Oregon, especially cooperative marketing." The subjects discussed include the following: Marketing functions and agencies; Types of associations; Conditions essential to success; Operating policies; Federal and state laws; Financing a cooperative; How to organize; Marketing contracts; By-laws; Cooperative association law of Oregon.

REPORTED BY THE ASSOCIATIONS

Last year about 200 farmers in the vicinity of San Angelo, Texas, formed the Farmers' Cooperative Marketing Association for the purpose of operating a turkey-dressing plant. Dressed turkeys and live chickens were marketed and sales for 1927 amounted to about \$100,000.

Fur ranchers and trappers have recently organized the Alberta Trappers and Muskrat Breeders' Association, Ltd., and have received a charter from the provincial government. In addition to cooperative marketing of products and cooperative purchase of supplies, the organization proposes to encourage specialization in all phases of the industry.

The British Columbia Egg and Poultry Cooperative Association is being formed by farmers owning about 1,000,000 hens in the lower Fraser Valley and on Vancouver Island, British Columbia. This provincial organization will become a member of the Canadian Egg Producers' Association. Banks are expected to finance shipments up to 80 per cent of their market value.

A large new building to contain a packing house and office is under construction in Los Angeles by the Calavo Growers of California. The structure is of brick and steel with many windows and about 12,000 feet of floor space. Its cost with land and equipment is estimated at \$40,000. Prospects of a large crop for the 1928-29 season made the need for additional handling facilities imperative.

Nearly four car loads of butter from the cream received in a single day, is the new high record of the Farmers' Equity Cooperative Creamery, in its Orleans, Nebr., and Denver, Colo., plants. Approximately 2,500 cans of cream delivered in one day produced 68,000 pounds of butter, valued at \$33,000. Ten years ago, in 1918, the manager was proud of a record of 4,000 pounds of butter from one day's cream, little dreaming of a 17-fold increase in a decade.

Officials of the Florida Citrus Exchange, Tampa, estimate that the recent revision of the freight rates by the Interstate Commerce Commission will result in an average saving of about 6 cents a box, or about \$21 a car, a total of approximately \$1,200,000 a year for Florida citrus growers. This victory is the result of four years of consistent work. However, the reduction is not all that was hoped for and efforts may be continued to secure what is considered an equitable rate.

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- Elsworth, R. H. Development of Cooperative Marketing Associations. Dairymen's League News, New York, July 27, 1928, p. 16.
- Fay, C. R. British Columbia's Compulsory Cooperation. Pacific Rural Press, San Francisco, Calif., August 11, 1928, p. 128.
- Fry, H. S. Publicity As It Relates to Cooperative Marketing: Ballyhoo and Spectacular Methods a Handicap When Seeking to Establish Confidence. (Address) Wheat Growers' Journal, Wichita, Kans., August 15, 1928, p. 9.
- Jones, J. W. What Does the Co-op Member Think? Pacific Rural Press, San Francisco, Calif., August 4, 1928, p. 105.
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- Ransom, F. W. Organization and Operation of Manitoba Wheat Pool: Voluntary Service and Sacrifice Have Made Possible the Canadian Cooperatives. (Address) Wheat Growers' Journal, Wichita, Kans., August 15, 1928, p. 14.
- Shorthill, J. W. Farmers' Elevator Group Buying. (Address) Farmers' Elevator Guide, Chicago, Ill., August, 1928, p. 31.
- Teaching Cooperation. Western Producer, Saskatoon, Sask., August 9, 1928, p. 3.
- Urges Known Price on All Cooperatives: Manager Davis Tells Cooperative Institute of the Responsibility of All Organizations to Help Stabilize Markets. New England Dairyman, Boston, Mass., July, 1928, p. 2.
- Wood, W. A. Mass Cooperation is Foundation of a True Social Structure. (Address) Western Producer, Saskatoon, Sask., August 9, 1928, p. 18.

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